

**From:** Lombardi\_Michael  
**Sent:** Wednesday, February 21, 2007 5:46 PM  
**To:** Sigrist\_Kevin  
**Cc:** Smith\_Rob  
**Subject:** Qualified Institutional Buyer (QIB)

Kevin,

In connection with purchases or transactions in privately offered securities pursuant to Rule 144A under the Securities Act of 1933, one must be a Qualified Institutional Buyer (QIB). In addition to meeting a monetary hurdle for discretionary accounts of only \$100 million, there has always been a "laundry list" of institutions that one must identify with. While the FRS portfolios meet the requirements, there was never a slot for municipal or state operating funds, trusts or reserves. Accordingly, the Local Government Surplus Funds Trust Fund (otherwise known as the Local Government Pool or LGIP) was considered not to be a QIB, despite its \$32 billion in assets. The Lawton Chiles and CAMP portfolios also operate under non-QIB status. Yet, I have spoken to various plans and LGIPs across the country that simply declared themselves QIBs and operated as such. I recently spoke to some members of the Florida Treasurer's Office and was surprised to learn that they certified themselves a QIB sometime last year. (I've attached a copy of their "certification".) Fraught with QIB envy, can you ask our legal staff to revisit Rule 144A? Achieving QIB status across all our portfolios would certainly simplify our compliance procedures as well as add additional return and flexibility to our investment process.

Michael

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